

SCOTIABANK CREDIT CARD CARDHOLDER AGREEMENT

The use of the Visa® and MasterCard® credit Cards issued by Scotiabank de Puerto Rico (the Bank) to the Applicant or Applicants (referred to individually and/or collectively as the Cardholder) shall be governed by the following terms and conditions:

I. USE OF THE CARD

The Cardholder and its company shall use the Card for the purchase or lease of merchandise and services in establishments where the Card is accepted and to obtain Cash Advances from the Bank or from any other bank that may accept the Card, subject to such limits as the Bank or the issuing bank may establish from time to time.

The Cardholder authorizes the Bank to pay and charge his/her Account for all Purchases or merchandise, service and Cash Advances made with the Card and the Cardholder agrees to pay the Bank for all such Purchases and Cash Advances plus the **FINANCE CHARGES** that are assessed on the Cardholder's Account, and any other charges that the Cardholder may owe according to the terms of this Agreement, which sums shall be payable in full or in monthly installments in legal tender of the United States of America.

II. CREDIT LIMIT

The initial credit limit granted by the Bank for the Cardholder's Account shall appear in a notice to be sent with the Card. Also, the Credit Limit effective at the date of each monthly billing statement shall appear on the statement. If the Cardholder exceeds the Credit Limit approved by the Bank, the Bank shall be entitled to close the Account, cancel the Card, demand its surrender or take possession of the Card. The Cardholder upon demand shall pay any amount in excess of the Credit Limit approved by the Bank. No over-the-limit fee will be charged by the Bank. The initial Credit Limit granted by the Bank for the Cardholder's Account can be reduced for not complying with the Bank's established credit parameters and if any of the following conditions occurs:

- A. Inadequate Account management that is not in accordance with Bank credit policies that may include: one late payment, a returned check, over limit of the established credit line.
- B. Not using the credit Card for a period longer than 12 months.
- C. Not activating the Card.

Cash Advance Limit: The maximum amount that will be available for cash advances will be 20% of your approved limit, if available.

III. CANCELLATION OF THE CARD

You may cancel your Account at any time by notifying us in writing. You may also cancel your Card if you do

not agree with changes to be made to this Agreement. Refer to Section XIV.

The Card is the property of the Bank and the latter may cancel the Card at any time without previous notice to the Cardholder, who agrees to return, at the Bank's request, any issued Card.

V. MONTHLY BILLING STATEMENT

The Bank will provide the Cardholder with a monthly billing statement, containing all information required by law.

VI. FINANCE CHARGES

The **FINANCE CHARGES** of the Cards are computed only on the principal balance for purchase of merchandise, services, Cash Advances and Balance Transfers.

The monthly and annual rates are the following:

Card Type	APR for Purchases	Monthly (Periodic Rate) Purchases	APR for Cash Advances	Monthly (Periodic Rate) Cash Advances
MasterCard Visa	18.95%	1.5792%	22.99%	1.9158%
	19.99%	1.6658%	22.99%	1.9158%
	24.99%	2.0825%	24.99%	2.0825%
Gold MasterCard	17.90%	1.4917%	22.99%	1.9158%
Visa Gold	14.99%	1.2492%	14.99%	1.2492%
	16.99%	1.4158%	16.99%	1.4158%
	19.99%	1.6658%	19.99%	1.6658%
	24.99%	2.0825%	24.99%	2.0825%

APR (Annual Percentage Rate)

The applicable annual percentage rate for MasterCard and Visa on Purchases, Cash Advances and Balance Transfers can be **18.95%**, **19.99%** or **24.99%**. This rate is established according to your experience upon approval of your application, on the free market and on the regulation in effect.

The applicable annual percentage rate for Visa Gold on Purchases, Cash Advances and Balance Transfers can be **14.99%**, **16.99%**, **19.99%** or **24.99%**. This rate is established according to your experience upon approval of your application, on the free market and on the regulation in effect.

A. The Bank determines the **FINANCE CHARGES** you will pay for the purchase of merchandise and services as follows:

1. The Average Daily Balance for Purchases is calculated by adding the outstanding balance at the end of each day during the preceding billing cycle and dividing that sum by the number of days in that billing cycle. The outstanding balance at the end of each day is determined by (a) adding to the previous day's outstanding balance any Purchase posted on that day, and (b) subtracting from the previous day's outstanding balance any payment received or credit posted in relation to Purchases during that day.

2. Then it multiplies the Average Daily Balance by the actual monthly periodic rate.

B. The Bank determines the **FINANCE CHARGES** you will pay for Cash Advances as follows:

1. The Average Daily Balance for Cash Advances is calculated as prior stipulated for merchandise and services using a monthly periodic rate.

2. Then it multiplies the Average Daily Balance by the actual monthly periodic rate.

3. There is no grace period to avoid paying **FINANCE CHARGES** for Cash Advances obtained by the customer.

C. No **FINANCE CHARGES** will be assessed on Purchases of merchandise and service during a monthly billing cycle if the Cardholder pays the balance in full on or before the due date shown on the billing statement. **FINANCE CHARGES** will be assessed on Cash Advances or if you use a Convenience Check from the date the Cash Advance is posted to the Cardholder's Account until it is repaid in full. **BALANCE TRANSFERS** and **CONVENIENCE CHECKS** are handled as Cash Advances.

VI. MINIMUM PAYMENT

The Cardholder may pay the full amount or a portion of the New Balance show on his/her monthly billing statement but must pay at least the minimum monthly payment, calculated as follows: 3% of the new balance plus any amount due and/or amount over the approved limit, or \$25, whichever is greater.

VII. APPLICATION OF PAYMENTS

If the Cardholder pays an amount in excess of the required Minimum Payment, the excess shall be applied against the principal amount with the highest interest rate. The Bank will credit the payment made by the Cardholder the same day it is received when it is made: (a) in cash or in check through one of the Bank branch offices, prior to the closing time; (b) electronically before 5:00 p.m. Monday through Saturday; or (c) by mail together with the payment coupon to the address listed on the account statement of the Cardholder, as long as the payment is received before 5:00 p.m. from Monday through Friday.

VIII. CREDIT LINE AVAILABILITY

If the payment is not made in cash, the Bank will defer the availability of funds equivalent to the amount of the payment, for a period of up to five (5) business days. This means that although your payment will be credited, your available balance will not reflect the payment amount until the five days period has elapsed. This will not entail additional charges to your account for Interest Charges.

IX. ANNUAL MEMBERSHIP FEE

The Cardholder is subject to pay an annual fee, as well as a fee for each additional Card. The fees apply even if the Cardholder and/or the authorized persons do not use the Card(s). The fees may change over time, at the Bank's discretion. You may cancel your

Card if you do not agree with an annual fee increase. Refer to Section XIV of this Agreement.

The following fees apply:

Card Type	Annual Fee	Additional Card Fee
MasterCard	\$29	\$9
Gold MasterCard	\$49	\$9
Visa	\$29	\$9
Visa Gold	\$45	\$9

These charges will not apply to those customers, who at the time of applying for the credit product, are identified as active members of the armed forces or a covered dependent, as specified by the Military Lending Act, for as long as the customer continues to be in active military service.

X. OTHER CHARGES

For all cards there is a **\$25.00** late payment charge if the Minimum Payment is not received by the payment due date. Any subsequent violations that occur after the first late payment, over the next 6 months, may be subject to a **\$35** late payment fee. After the 6-month period has elapsed, the next late payment violation will be subject to a **\$25** fee and another 6-month period will commence where late payment violations may be subject to a **\$35** fee, and so on. In any case, the amount of the fee will not exceed the minimum monthly payment amount for the billing statement in which your monthly payment was late.

For all Cards, a **2%** fee for **Cash Advance or Balance Transfer** amounts will be charged to your Account with a maximum fee of **\$10.00** and minimum of **\$2.00** for each Cash Advance obtained, be it made by ATM, branch, Cash Advance or from Convenience Checks.

Foreign Transaction Fee: A fee of **1% of the transaction** in USD will apply to each transaction made in a foreign currency, and is additional to any other applicable fees.

If you pay by check and the check payment is returned unpaid, an administrative fee of **\$10.00 will be assessed every time the check is returned unpaid**. These charges will be added to your balance account for purchase of merchandise and services. These fees may vary from time to time at the Bank's discretion with prior notification.

One Fee for Violations Resulting From Single Event or Transaction: We will not impose more than one of the above-described fees for violating the terms of your account based on a single event or transaction. For example, if your payment is returned after the date it was due as shown on your billing statement as a result of non-sufficient funds or other reason, we will impose a late payment fee, a returned payment fee or a non-sufficient funds fee but not all of them because the late payment and the returned payment have resulted from the same event or transaction.

XI. SPECIAL RATE FOR APPLICANTS COVERED BY THE MILITARY LENDING ACT (MLA)

Those applicants who, at the time of applying for an applicable credit product, are identified as (as established by the Bank) an active member of the armed forces or a covered dependent, will be granted a special annual percentage rate (APR) of **6.00%** (monthly periodic rate of 0.5000%). This special rate will be considered as part of the military annual percentage rate (MAPR), which, as established by the Military Lending Act, will not exceed a **36.00%** (MAPR). This special rate will be provided to the customer and covered dependents for as long as he/she remains in active military service. Once this service is completed the current applicable Annual Percentage Rate (APR) will apply.

XII. DEFAULT APR

Default Rate: The APR that will apply to the Account balance, including new Purchases, Cash Advances and Balance Transfers, can increase to **24.99% or 28.99% APR**, subject to your credit behavior score if any of the following conditions occurs:

A. The Minimum Payment is not received within 60 days of the due date on the account statement.

B. Inadequate account management that is not in accordance with Bank credit policies that may include: one late payment, a returned check, over limit of the established credit line, and non-compliance with the credit parameters established by the Bank. The Bank will provide previous notices as required by law before the implementation of default rates. The default rate will revert to the regular APR when six (6) consecutive Minimum Payments are received by the due date.

C. The default APR will not apply to those customers who at the time of applying for the applicable credit product were identified by the Bank as active members of the armed forces or a covered dependent as required by the Military Lending Act. This benefit will last until the covered borrower is no longer in active military service.

XIII. LOSS OR THEFT OF THE CARD

In the event of loss or theft of the Card, the Cardholder shall promptly notify the Bank by telephone 787-766-4999 (toll free: 1-877-766-4999) 24 hours, 7 days a week, or at 1-800-847-2911 (United States); or by sending a fax to 787-704-6510. The Cardholder will complete and submit such forms or reports as the Bank may require. The Cardholder's liability for unauthorized use of the Card will not exceed the lesser of **\$50.00** or the amount of money, property, labor or services obtained by the unauthorized use of the Card if the customer notified the Bank within two days of discovering the loss.

XIV. BALANCE INSURANCE

The Cardholder can apply for credit plan insurance, in which you will insure the Account balance up to a maximum of **\$10,000**. This is optional; the credit plan insurance is not a requirement to obtain the Card.

XV. ACCELERATION OF THE DEBT

The Bank may accelerate the maturity of any part or all of the amount owed under this Agreement under the occurrence of any of those circumstances prescribed by law.

XVI. AMENDMENTS

The Bank shall have the right to amend the terms and conditions at any time by giving written notice to the Cardholder prior to the effective date of the amendment as required by applicable regulation. If the Cardholder does not accept the amended terms and conditions stated in the written notice, the Cardholder may cancel the Agreement in accordance with the law by following the cancellation procedure described in the written notice. If you do not agree with the amendments and want to cancel the Agreement, you must notify us in writing before the date the changes become effective and continue to pay the balances owed according to the terms and conditions previously in effect.

XVII. MISCELLANEOUS PROVISIONS

A. The Bank is hereby authorized by the Cardholder to investigate the Cardholder's credit references.

B. The Cardholder may apply for additional Cards under the Cardholder's current Account number for use by other persons designated by the Cardholder, in which case the Cardholder shall be severally liable for the payment of all Purchases and Cash Advances made through the use of the additional Cards, and of the **FINANCE CHARGES** pertaining thereto. If the Cardholder wants to revoke the authorization given by him/her to other people to use the Cards, the Cardholder must notify those persons of the revocation and obtain and surrender to the Bank the Cards issued to such people.

C. The Bank's failure to exercise any of its rights under the contract shall not be deemed to be a waiver of such rights.

D. Joint accounts: You shall be jointly and severally liable for the total payment of the Purchases and Cash Advances made with your Cards. The Bank can require the appearance and signature of all the purchasers to process certain instructions or requests, which include, but are not limited to, (1) a request for increase or reduction in the Credit Limit, (2) the issuance of additional Cards, and (3) change of address to which the Account Statement of your Card is mailed. You agree to release and indemnify the Bank of all responsibility due to damages, losses or expenses that arise as a result of any action executed by the Bank in compliance with the instructions given by any of you.

E. The Bank is not responsible if a Purchase or Cash Advance on your Account is not approved either by the Bank or by a third party, even if you have sufficient credit available. The Bank may limit the number of Purchases or Cash Advances that may be approved in one day. If the Bank detects unusual activity in your Account, it may temporarily suspend your credit privileges until it can verify that the transaction is legitimate. The Bank may approve Purchases or Cash Advances that cause the balance to exceed your Credit Limit without waiving any of its rights under this Agreement.

F. If any clause or part thereto of this Contract is annulled by Court or becomes ineffective by provisions of law or regulations, the remaining provisions of this Contract shall not be affected and shall continue in full force and effect.

G. This Contract shall be interpreted under the laws of the Commonwealth of Puerto Rico and the currency let out herein shall be United States dollars.

H. You have no obligation to accept this Card, nor will you be held responsible for any of the charges, unless you choose to accept it. Use of this Card shall constitute its acceptance with the terms and conditions of this Agreement. If you choose not to accept the Card, you should notify the Bank within 30 days after receiving this Agreement without having used it. To notify, please call 787-766-4999 or toll free 1-877-766-4999 or write to: Scotiabank de Puerto Rico, PO Box 362230, San Juan, PR 00936-2230.

XVIII. BILLING ERRORS

What To Do If You Think You Find A Mistake On Your Statement

If you think there is an error on your statement, write to us at:

Scotiabank de Puerto Rico
PO Box 362230
San Juan, PR 00936-2230

You may also contact us on the Web: scotiabankpr.com.

In your letter, give us the following information:

- *Account information:* Your name and Account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors *in writing* (or electronically). You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question. While we investigate whether or not there has been an error, the following are true:

1. We cannot try to collect the amount in question, or report you as delinquent on that amount.
2. The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
3. While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
4. We can apply any unpaid amount against your Credit Limit.

Your Rights If You Are Dissatisfied With Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit Card and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the Purchase.

To use this right, all of the following must be true:

1. The Purchase must have been made in your home state or within 100 miles of your current mailing address, and the Purchase price must have been more than \$50. (Note: Neither of these are necessary if your Purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit Card for the Purchase. Purchases made with Cash Advances from an ATM or with a Convenience Check do not qualify.
3. You must not yet have fully paid for the Purchase.

If all of the criteria above are met and you are still dissatisfied with the Purchase, contact us *in writing* at:
Scotiabank de Puerto Rico
PO Box 362230
San Juan, PR 00936-2230.

You may also contact us on the Web: scotiabankpr.com. While we investigate, the same rules apply to the disputed amount as discussed above. If you owe an amount and you do not pay we may report you as delinquent.

IMPORTANT INFORMATION ABOUT PROCEDURES TO OPEN A NEW ACCOUNT

To help the government in their fight against terrorism and money laundering activities, federal laws require that all financial institutions obtain, verify and maintain the identification information of each person who opens a new account. What does this signify to you: when you open an Account we will ask your name, address and date of birth and any other information that could help us to identify you. Also, we may ask for your license number and any other document that identifies you.

NOTICE TO THE CARDHOLDER

The Assignee receiving or acquiring this retail installment Contract or promissory note related there to shall be subject in equal conditions, to any claim or defense that the buyer may initiate against the seller. The assignee of the Contract shall have the right to file against the seller all the claims and defense that the buyer may raise against the seller of the goods or services.

**NOTICE TO THE ASSIGNEE
DO NOT SIGN THIS CONTRACT BEFORE YOU READ IT OR IF IT CONTAINS BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THIS CONTRACT. UNDER THE PRESENT LAW YOU HAVE THE RIGHT TO PAY IN ADVANCE THE FULL AMOUNT DUE.**

Cardholder (<i>Applicant</i>):	Date:
Cardholder (<i>Co-Applicant</i>):	Date:

FOR BANK USE ONLY Account Number
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By: _____
Officer's Signature

SCOTIABANK DE PUERTO RICO
PO BOX 362230
SAN JUAN, PR 00936-2230



Disclosure Statement

Interest Rates and Charges			
	Visa® and MasterCard®	Visa Gold	Gold MasterCard
Annual Percentage Rate (APR) for Purchases	18.95%, 19.99% or 24.99%	14.99%, 16.99%, 19.99% or 24.99%	17.90%
	This rate is established according to your experience upon approval of your application, on the free market and the regulation in effect. Those applicants who, at the time of application are identified as active members of the Armed Forces as established by the Military Lending Act (MLA) or a covered dependent, will be granted a 6.00% annual percentage rate (APR), for as long as he/she remains on active duty. Once the member of the armed forces ceases to be in active military service, the special rate granted will be changed to the current applicable annual percentage rate (APR).		
APR for Balance Transfers and Cash Advances	22.99% or 24.99%	14.99%, 16.99%, 19.99% or 24.99%	22.99%
	This rate is established according to your experience upon approval of your application, on the free market and the regulation in effect. Those applicants who, at the time of application are identified as active members of the Armed Forces as established by the Military Lending Act (MLA) or a covered dependent, will be granted a 6.00% annual percentage rate (APR), for as long as he/she remains on active duty. Once the member of the armed forces ceases to be in active military service, the special rate granted will be changed to the current applicable annual percentage rate (APR).		
Penalty APR: When it Applies and When it Does Not Applies	<p>24.99% or 28.99%, subject to your credit score.</p> <p>This APR may be applied to your account if:</p> <ul style="list-style-type: none"> o The Minimum Payment is not received within 60 days of the due date on the account statement or during two (2) consecutive billing periods. o Inadequate account management that is not in accordance with Bank credit policies that may include: one late payment, returned check, over limit of the established credit line, and non-compliance with the credit parameters established by the Bank. <p>For How Long Will the Penalty APR Apply? If your APR is increased for any of these reasons, the Penalty APR will apply until you make six (6) consecutive Minimum Payments when due and do not exceed your credit limit during that time period.</p> <p>This Penalty APR will not apply as long as the cardholder is covered by the provision of the Military Lending Act (MLA).</p>		
Paying Interest	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on Purchases if you pay your entire balance by the due date each month. We will begin charging interest on Cash Advances and Balance Transfers on the transaction date until the amount is repaid in full. Balance Transfers and Convenience Checks are handled as Cash Advances.		
Cash Advance Limit	The maximum amount that will be available for cash advances will be 20% of your approved limit, if available.		
For Credit Card Tips from The Federal Reserve Board	To learn more about factors to consider when applying for our using a credit card, visit the Federal Reserve Board website at: http://www.federalreserve.gov/creditcard		
Fees			
	Visa and MasterCard	Visa Gold	Gold MasterCard
Annual Fee	\$29	\$45	\$49
* For each additional Card	\$9	\$9	\$9
* Customers covered by the Military Lending Act (MLA)	\$0	\$0	\$0
Cash Advances and Balance Transfers	A 2% fee for Cash Advances and Balance Transfers will be charged to your Account, with a minimum fee of \$2.00 and a maximum fee of \$10.00.		
Foreign Transaction (Currency Exchange)	A 1% transaction fee of the amount in USD will apply to each transaction made in a foreign currency, and is additional to any other applicable fee.		
Returned Payment	\$10		
Late Payment	Up to \$35		

How We Will Calculate Your Balance: We use a method called "average daily balance" (including new purchases and new transactions). See your Cardholder Agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your Cardholder Agreement.

For more information you may contact a TeleScotia Representative at (787) 766-4999 or 1-877-766-4999. You may also contact us at PO Box 362230, San Juan Puerto Rico 00936-2230.

Signature (Applicant): _____ Date: _____

Signature (Co-Applicant): _____ Date: _____

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